

**ASSEMBLY BILL**

**No. 1552**

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**Introduced by Assembly Member Travis Allen**

January 4, 2016

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An act to add Section 7204 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1552, as introduced, Travis Allen. Public contracts: state and local agencies: businesses engaged in boycott.

Existing law requires that contracts between private parties and public entities, defined to include specified local entities, contain various specified provisions.

This bill would, with certain exceptions, prohibit a public entity from entering into a contract to acquire or dispose of goods, services, information technology, or construction unless the contract includes a representation that the contractor is not currently engaged in, and an agreement that the contractor will not during the duration of the contract engage in, the boycott, as defined, of a person or an entity based in or doing business with a jurisdiction with which the state can enjoy open trade, defined as a state that is a member of the World Trade Organization. The bill would specify that these provisions constitute a matter of statewide concern.

By imposing additional duties with respect to local public contracting, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 7204 is added to the Public Contract  
2 Code, to read:  
3 7204. (a) Notwithstanding any other law, and except as  
4 provided in subdivision (c), a public entity shall not enter into a  
5 contract to acquire or dispose of goods, services, information  
6 technology, or construction unless the contract includes a  
7 representation that the contractor is not currently engaged in, and  
8 an agreement that the contractor will not during the duration of  
9 the contract engage in, the boycott of a person or entity based in  
10 or doing business with a jurisdiction with which the state can enjoy  
11 open trade.  
12 (b) For the purposes of this section, the following definitions  
13 shall apply:  
14 (1) (A) “Boycott” means to blacklist, divest from, or otherwise  
15 refuse to deal with a person or entity when the action is based on  
16 the race, color, religion, gender, or nationality of the targeted  
17 person or entity.  
18 (B) “Boycott” does not include any of the following:  
19 (i) A decision based on business or economic reasons.  
20 (ii) A boycott against a public entity of a foreign state that is  
21 applied in a nondiscriminatory manner.  
22 (iii) A boycott or divestment of a particular jurisdiction that is  
23 authorized or required by federal or state law.  
24 (2) “Jurisdiction with which the state can enjoy open trade”  
25 means a state that is a member of the World Trade Organization.  
26 (c) This section shall not apply to a contract if any of the  
27 following apply:  
28 (1) The contract fails to meet the requirements of subdivision  
29 (a) but the contractor offers to provide the goods, services,  
30 information technology, or construction at a price that is at least  
31 20 percent lower than the price offered by the next lowest bidder.

1 (2) The total potential value of the contract is less than ten  
2 thousand dollars (\$10,000).

3 (3) The contract was entered into prior to January 1, 2017.

4 (d) Notwithstanding any other law, including, but not limited  
5 to, Section 1100.7, the Legislature finds and declares that this  
6 section constitutes a matter of statewide concern, and shall apply  
7 to charter cities and charter counties. The provisions of this section  
8 shall supersede any inconsistent provisions in the charter of any  
9 city, county, or city and county.

10 SEC. 2. If the Commission on State Mandates determines that  
11 this act contains costs mandated by the state, reimbursement to  
12 local agencies and school districts for those costs shall be made  
13 pursuant to Part 7 (commencing with Section 17500) of Division  
14 4 of Title 2 of the Government Code.